

# City of Arlington

## *FY 2010 Popular Annual Financial Report*



*Meeting the Challenge  
of our Extraordinary Times*





# Message from the Mayor



**Dear Reader,**

The Arlington City Council and I are honored to present the *2010 Popular Annual Financial Report: Meeting the Challenge*. We believe that providing you, our citizens, with a clear and concise look at the work we do is paramount to responsible government.

In 2010, we faced the aftermath of what some have called the worst economic downturn since the Great Depression. A slow economy, depressed housing market and flat sales tax revenue put huge financial pressures on the City’s ability to continue providing service. Yet, Arlington has a history of working together and using conservative financial strategies to meet challenging times. Our ability, Council and staff, to develop and balance a \$300 million budget is a daunting task, even during a good year.

Auditing and reporting the City of Arlington’s financial status is an important responsibility. Staff throughout the organization works closely with Finance to ensure that transactions are correctly calculated and posted. Routinely throughout the year, the Council and I are briefed on our financial position. We are given opportunities to make adjustments, as needed, to meet community priorities.

The year 2010 also presented great opportunities. The Entertainment District sales tax revenues were strong due to the increase in number of fans attending events and having fun at Six Flags over Texas, the Rangers Ballpark and Cowboys Stadium. Arlington taxpayers voted to renew the streets maintenance sales tax for street repair, and the City was awarded just over \$20 million in federal funding from the American Recovery and Reinvestment Act for all types of grants including energy and conservation block grants.

Although 2010 was a demanding year, the City of Arlington met our financial challenges. I’m proud of the work that has been done to sustain the City during truly challenging times and offer this report on the financial status of our great city.

Sincerely,

**Robert N. Cluck, M.D.**

Arlington Mayor  
Robert.Cluck@arlingtontx.gov  
817.459.6121

**In this report**

Message From the Mayor .....2

City Council.....3

Message From the City Manager.....4

Strategic Performance Plan .....5

A Look Back.....6

Strategic Planning Cycle .....8

Community Profile .....9

Neighborhoods.....10

Economic Development.....12

Capital Investments.....14

Strategic Support .....16

Achievements in Service.....18

Financial Highlights.....20

A Look Forward .....23



# 2010 City Council



The Arlington City Council consists of a mayor and eight council members elected by the voters of Arlington. Five are elected from districts to represent geographic parts of the city. The mayor and three at-large districts are elected by the entire city. Members serve two-year terms with annual elections in May.



(Back row left to right)

Jimmy Bennett, District 7, At-Large  
Robert Rivera, District 3, Deputy Mayor Pro Tempore  
Kathryn Wilemon, District 4  
Robert Shepard, District 6, At-Large  
Gene Patrick, District 8, At-Large

(Front row left to right)

Mel LeBlanc, District 10  
Lana Wolff, District 5, Mayor Pro Tempore  
**Robert N. Cluck, Mayor**  
Sheri Capehart, District 2



# Message from the City Manager

Dear Arlington Residents:

I am pleased to present the City of Arlington's *Popular Annual Financial Summary*. In this report, we summarize our city's financial operations and highlight the service delivery strategies that helped to shape Arlington during the fiscal year that ended September 30, 2010. This report is part of our continuing efforts at open government that enhance the level of fiscal accountability with our residents.

The 2010 budget was presented at a time of unprecedented financial uncertainty. The challenges of preparing and submitting a comprehensive balanced budget designed to meet community priorities was a formidable challenge. We looked for opportunities to restructure and realign our services, make the 'right' investments, seek partnerships, and look for new revenues.

As Fiscal Year 2009 ended, we knew that Fiscal Year 2010 would present significant challenges. To meet those challenges, we put considerable thought and energy into analyzing and reviewing each revenue source; we debated reduction or elimination of every program; and examined all budget additions to ensure they met

critical community priorities. Throughout the year, the city's solid fiscal management principles helped us to continue to focus on providing a solid comprehensive budget for 2010.



Although this report provides a condensed and simplified analysis of our revenues and expenses, it is designed to help you understand how Arlington's government works. This report highlights some of our city's most significant accomplishments in 2010 with financial forecasts and anticipated challenges for 2011 and beyond.

The *Popular Annual Financial Report* is based on audited financial documents contained in the *2010 Comprehensive Annual Financial Report* and is a summary of our financial outcomes in FY 2010.

This report is about your city and community. If you have questions or

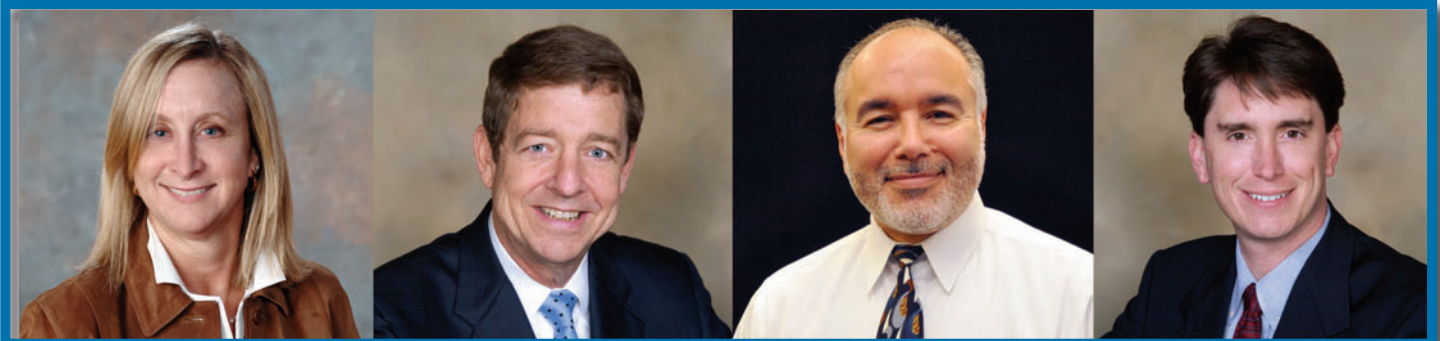
comments, please contact me.

## **Jim Holgersson**

City Manager

817.459.6100

[Jim.Holgersson@arlingtontx.gov](mailto:Jim.Holgersson@arlingtontx.gov)



**Deputy City Manager Team** From left: Fiona Allen, Bob Byrd, Gilbert Perales, Trey Yelverton

# Strategic Performance Plan

The City's Performance Plan outlines the community's vision, mission, priorities and values in 2010.



Arlington is committed to being a pre-eminent city, providing an exemplary environment in which to live, learn, work and play.



The City of Arlington enacts the will of the people through their active, inclusive participation and provides the services they demand in a quality, cost effective manner.



## Working Together To Make Arlington Better

**Responsiveness and Respectful** to our customers and co-workers

**Innovative** in identifying possibilities, exploring options, and creating solutions

**Committed** to excellence

Relating to our customers and each other with **Integrity**

- The City provides outstanding customer service
- Staff exceeds expectations in delivering core service and daily operations
- Uphold the highest professional and ethical standards
- City values diversity, creates positive relationships and maintains effective partnerships with the community and organizations
- City achieves results through planned actions and measurable performance



# Financial Look Back at 2010

We said in Arlington's FY 2010 Adopted Budget that this was a time of "unprecedented financial uncertainty. Many tough choices have been made to continue our history of good fiscal management, while focusing on community priorities." Those statements characterize FY 2010 for Arlington and most of the rest of the country.

## Long Term Fiscal Planning Pays Off

Many difficult decisions were made in 2010 as the City watched revenues decline. We started out the fiscal year with a \$69 M loss in property values, the first decrease Arlington had seen in property values in over a decade. Sales tax estimates were guarded with an anticipated growth of about \$1 M, following a drop in FY 2009 of \$1.25 M. Because this revenue source has been dropping significantly in recent years, this anticipated million dollar growth, brought on primarily by developments in the City's Entertainment District, was expected to bring Arlington sales tax back to 2006 levels.

While lagging many other cities nationwide, Arlington was beginning to feel the effects of the economic downturn and was able to learn from the lessons of others who had already experienced precipitous declines in revenues. Seeing the plights of cities on the west coast and others who experienced significant economic challenges, Arlington began reviewing operations for potential reduction and cost savings in FY 2008. We worked methodically over a multi-year period so that it was not necessary to react in a hasty fashion and make draconian cuts that gutted programs and dramatically impacted services.

By the time the FY 2010 budget was adopted, Arlington had eliminated 22 positions and reduced recurring General Fund expenditures by \$7 million. With an emphasis on maintaining quality service delivery, efforts focused on program reductions that would

have the least impact on residents. Several outsourcing opportunities such as Risk Management and Accounts Payable allowed the City to recognize savings. Swimming pool hours were reduced as was the work of the Library Acquisition Division. This would be the second year in a row that City employees received no compensation increases.

In September 2009, the City Council unanimously approved the City's FY 2010 Operating Budget of \$382.7 M, with a General Fund Budget of \$197 M (2% less than that of FY 2009)

## Commitment to Reserves Continues

Despite revenue decreases, the City of Arlington has kept its long-standing commitment to funding healthy reserves. Not only does the City have the traditional Working Capital Reserve and Unallocated Reserve that many organizations have, but Arlington also has a \$20 M Landfill Reserve funded by the lease of the city's landfill and royalty payments from our solid waste contractor. Additionally, the City has \$60M in the Arlington Tomorrow Foundation. The funds are a component unit of the City, and the Foundation's corpus (\$60M) remains intact, while the interest from it is used to provide grants to local non-profits and City departments for quality of life programs.

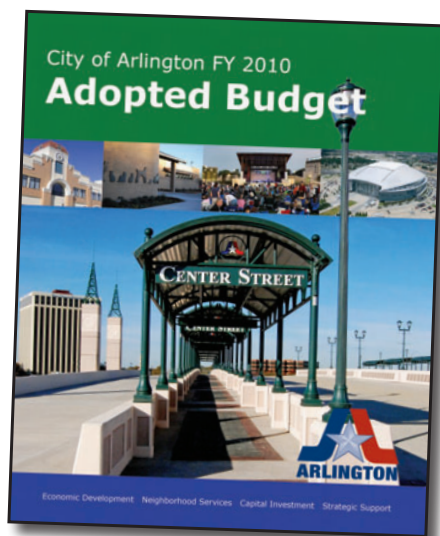
The City remains committed to reserving these funds, despite the economic downturn.

## 2010 Financial Highlights

As we entered the 2010 calendar year, we prepared for the City Council's Annual Strategic Planning process. Each year, we use the City Council identified community priorities as the basis for the next year's budget. At this planning session, Council receives a copy of the annual Citizen Survey conducted each winter, a copy of the first quarter budget analysis report, the City's Economic Forecast that is produced quarterly and allows us to track the effect of local economic trends on our budget, and an updated look at our Five Year Financial Forecast. With these tools, the City Council determines the short and long-term focus areas in which the City should dedicate its resources.

In the Spring of 2010, the City of Arlington has been recognized by the State of Texas for financial reporting and transparency.

"This Gold Leadership Circle Award recognizes the City of Arlington, Texas for setting the bar for financial transparency and



# Financial Look Back at 2010

opening your books to the public,” said Susan Combs, the Texas Comptroller of Public Accounts. “By providing citizens with a clear, consistent picture of spending and sharing information in a user-friendly format, you are setting a strong example for other governmental entities to follow.”

The program puts special emphasis upon online access to information. The City of Arlington received the gold award because it has posted its Annual Operating Budget, its Annual Business Plan, its Comprehensive Annual Financial Report, its Popular Annual Financial Report, and its check register on-line. The City also publishes its Quarterly Budget Analysis Report online.

In the Spring, the City issued its 2009 Comprehensive Annual Financial Report, earning the Government Finance Officers Association’s Certificate of Achievement for Excellence in Financial Reporting. The City also distributed the continuing disclosure report required by the Securities Exchange Commission. The City received a “clean opinion” from its external auditor, Deloitte, for the fiscal year ending September 2009.

## Confirmation of Effective Strategies

In July 2010, when Arlington decided to sell the \$35 M in General Obligation Bonds and Certificates of Obligation, we approached the rating agencies for our credit worthiness. Given the economy and the recent downturn in property values, some municipalities have struggled to get the rating agencies to affirm their ratings. However, because of Arlington’s long history of proactive, conservative financial decision-making, the City was able to maintain its ratings with Moody’s at Aa1, S&P at AA+ and Fitch at AA+.

While Fitch mentioned the decline in City revenues and the effects of the downturn on the local economy, they stated that “Arlington has managed to retain sizable operating reserves despite recessionary pressures, due to prudent budgeting practices and timely expenditure reductions.”

Standard and Poor’s said the stable outlook for Arlington reflects their expectation that “the city should continue to sustain its sound financial position and maintain manageable debt levels. In our opinion, the city’s strong financial policies should serve to shield it from potential revenue volatility.”

The City of Arlington received proceeds of \$109,705,000 in FY



2010. Of the total, \$29,415,000 of General Obligation (GO) debt and \$8,930,000 of Certificates of Obligation (CO) debt, were actually sold in September 2009 for FY 2009 capital projects. However, the proceeds were received in FY 2010. The remaining \$34,480,000 of GO, \$5,755,000 of CO, and \$31,125,000 of Water Utility revenue bonds were issued in the summer of 2010. The new issuances were used for both project funds and to refund \$12,245,000 in GO long-term debt, \$4,800,000 in commercial paper debt and \$11,415,000 in water revenue bonds. As the City issues its debt at level principal, we paid down a total of \$40,965,000 in principal. This included \$25,745,000 in GO debt, \$9,990,000 in Water and \$5,230,000 in Cowboy Stadium Debt. As of September 30, 2010, the City had a total of \$749,860,000 in outstanding GO, Water and Stadium debt.

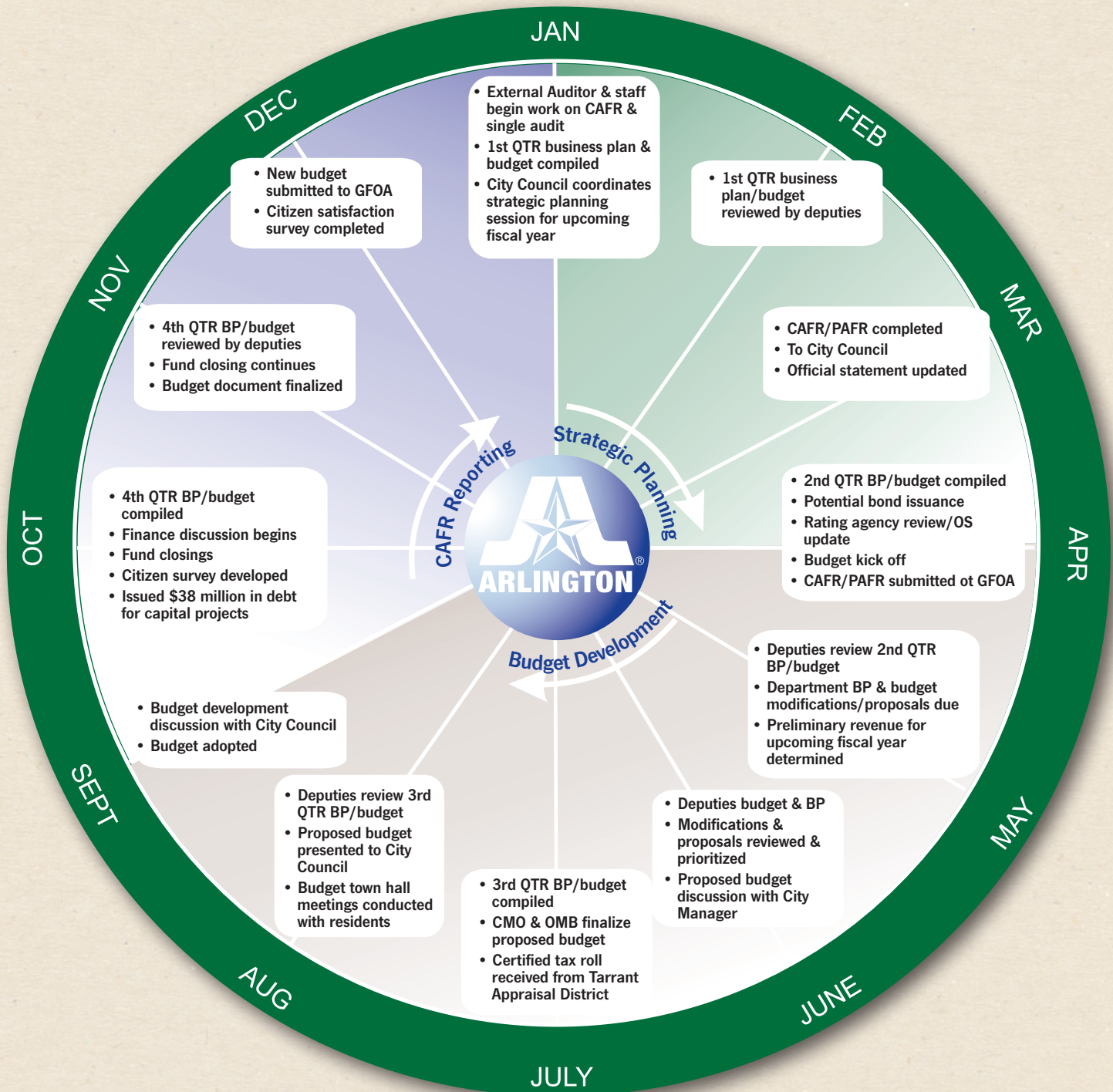
## Conclusion

FY 2010 was a challenging year for the City of Arlington, as was the case for all levels of government throughout the nation. With strong policy leadership, effective management and productive and creative employees, we met the challenges we faced while continuing to consider the possibilities and seize opportunities that will help the City in the long-term. The result of our efforts continues to allow us to successfully navigate these challenging economic times while continuing to deliver priority services to the citizens of Arlington.



# Financial Look Back at 2010

## Arlington Financial Cycle





# Arlington, Texas City Profile



Arlington is located approximately 12 miles east of downtown Fort Worth and 20 miles west of downtown Dallas.

This city has truly surpassed its 19th century roots. Arlington is no longer the rural farming community of 1884. Today, Arlington is the 50th largest city in the United States and the seventh largest city in Texas. From a regional perspective, it is the third largest city in north Texas with more than 365,000 residents.

From shopping, dining, and recreation, Arlington proves that it really is 99.7 square miles of culture, excellence and excitement.

Arlington is a popular destination known for family-style attractions such as Six Flags Over Texas, Hurricane Harbor, Cowboys Stadium, International Bowling Campus, and Texas Rangers Major League Baseball.

Arlington is home to quality medical, research and education such as the University of Texas at Arlington, Tarrant County College, and Arlington and Mansfield Independent School Districts.

The transportation infrastructure in and around Arlington is continually revamped as millions of dollars in local, state, and federal money fund roadway improvements. A local sales and use tax for street maintenance continues to provide an additional funding mechanism for repairs of neighborhood streets and thoroughfares.

The local economy is strengthened even more by the presence of quality neighborhoods, parks, libraries, commercial development and the Arlington Municipal Airport, which provides excellence in corporate and leisure aviation services.

Visit us at [www.ArlingtonTx.gov](http://www.ArlingtonTx.gov).

## FACTS & FIGURES

	2008	2009	2010
Population	369,150	370,450	365,438*
General Obligation Debt per Capita	\$835	\$827	\$933
Labor Force	208,417	210,017	208,628
Unemployment Rate	4.0%	7.6%	7.5%
Housing Start Permits Issued	427	251	284
Foreclosures (residential and commercial)	1,285	1,187	1,262
Occupancy Rates			
Office	88.8%	87.9%	85.3%
Industrial	93.1%	84.0%	85.7%
Retail	91.3%	91.5%	92.0%
Residential (Multi-family)			
North Arlington - 4th Quarter	89.3%	90.0%	93.0%
South Arlington - 4th Quarter	91.3%	92.9%	91.0%

\* Prior years' population were estimates. Current year population is based on latest census data.



# Neighborhoods

In many Arlington neighborhoods, you can find families who have lived in their homes for a quarter of a century or more.

Homeowners in the Heart of Arlington Neighborhood said they chose their central Arlington homes because of location, pricing and proximity to schools and work.

According to survey data analyzed by the Community Development and Planning Department, more than half of the structures in this neighborhood were built between 1960 and 1969.

The survey revealed some important facts about neighborhoods. Revitalization, stabilization and homeownership are some of the real challenges facing neighborhoods.

## Working Together

Programs like Weed and Seed, Arlington Strong Neighborhood Initiative, Neighborhood Matching Grants and the Arlington Tomorrow Foundation all worked together in 2010 to help the City of Arlington meet extraordinary challenges.



***"I was looking for some assistance when I was told about the Arlington Housing Authority. I applied for help, prayed and waited. Thank you for lending me a helping hand."***

- Bernice Pittman  
East Arlington homeowner

Federal and state grants helped to address homelessness and fund housing assistance programs for low to moderate-income families. The Arlington Housing Authority's Rehabilitation Program provided repairs, funded by grant money, to bring homes up to code standards. A grant from the Department of Energy helped qualified, low-income homeowners save money and reduce energy costs.



Thirty-one new officers joined the Arlington Police Department in FY 2010 thanks to a federal grant from the American Recovery and Reinvestment Act. Another class of 23 started the police academy in July.





# Neighborhoods



The health and well being of Arlington's youth continue to be a City Council priority and an important component of strong neighborhoods. In FY 2010, Arlington inspired more young people to life-long habits of service through programs like Global Youth Service Day and the Slant 45 service project launched by the Super Bowl XLV Host Committee. Our Community, Our Kids was formed in FY 2010, providing alternatives to gangs. During the summer, nearly 4,000 sixth-graders joined Mayor Robert Cluck for a Let's Move campaign to combat childhood obesity and encourage physical activity.



Two new senior programs were accomplished in Arlington through a partnership with the Senior Citizen Services of Greater Tarrant County. Computer literacy, wellness, employment training, transportation and housing are important issues for Arlington's population of residents over the age of 65.

The City of Arlington took steps to reduce noise levels and



improve quality of life in neighborhoods located near railroad tracks. In a partnership with the Federal Highway Administration and Union Pacific Railroad, several intersections at railroad crossings were designated as Quiet Zones.



# Economic Development

When officials with the International Bowling Congress began their search for a new location, they chose Arlington.

The Bowling Proprietor's Association of America was already here – a few blocks east of Ranger's Ballpark and Cowboys Stadium.

The development of a bowling campus in such a high profile location in Arlington could put a worldwide spotlight on the sport.

In FY 2010, Arlington became the Bowling Capital of the World



when the International Bowling Campus opened in the Entertainment District at 621 Six Flags Drive.

Serving more than 69 million bowlers in the United States, this sprawling development features a museum, hall of fame, testing and training center.

To help more developers locate available commercial property, the City of Arlington launched iSites, an economic development website, which provides geographic information, interactive maps, and more!

While many North Texas cities saw significant declines in sales and property

taxes this year, Arlington saw modest gains thanks to its strong economic development strategies, which



include diversifying the economy, growing the convention and tourism industry, and helping to retain and expand business opportunities.

The tourism industry scored big when as many as 200,000 people in North Texas participated in the NBA All-Star experience. The NBA All-Star Game was played at Cowboys Stadium on Feb. 14.



***"We saw the largest gathering ever of Rangers fans! Texas Rangers success was also a big win for business"***

- Randy Ford, J. Gilligans Bar and Grill





# Economic Development

## Generating More Business Opportunities

Retaining and expanding business translates into more tax revenue and a healthier economy.

Creating a more vibrant downtown is another economic development strategy that contributes greatly to the success of UT Arlington and quality of life in the city.

In FY 2010, College Town, UTA emerged with a vision to align a revitalized



downtown with performing arts, historic neighborhoods, libraries, parks, research, tourism, and mixed use retail/residential development.

In an area bound by Cooper, Collins, North and Second Streets, the City Council unanimously approved the creation of a Downtown Business Improvement District in FY 2010. The BID is designed to help fund capital improvements and operations of the Downtown Arlington Management Corporation, which is credited with such developments as Babe's Chicken Dinner House, the Levitt Pavilion, Founders Plaza and Fuzzy's Tacos.



Following the approved sale of the Texas Rangers to a group led by Chuck Greenberg and Hall of Fame pitcher Nolan Ryan in FY 2010, the Rangers



clinched the American League West Division Title, their first divisional title in 11 years. A World Series Championship is not far away.

A new \$12 million medical clinic opened in FY 2010 as the second largest medical office building in south Arlington. This three-story, 110,000-square-foot medical complex is located at the southeast



corner of Arbrook Boulevard and Matlock Road, just north of the Arlington Highlands. It has created nearly 200 new jobs. The project was executed as part of a

Chapter 380 Economic Development Program, which provides annual performance-based grants over a five-year period. This program, approved by Arlington City Council as an economic incentive for development, is designed to help stimulate business and commercial activity and create more employment opportunities.

General Motors continues to be one of the world's largest automakers. The GM Assembly Plant in Arlington remains a vital part of the local economy. On 250 acres in east Arlington, the assembly plant employs 2,400 people and produces nearly 1,140 vehicles a day. In 2010, GM Arlington products won J.D. Power Initial Quality Survey Awards with its Chevrolet Tahoe, Suburban and Yukon.



# Capital Investments

With national issues such as rising gas prices, environmental matters and a growing interest in health and wellness, more U.S. communities are taking a closer look at viable transportation alternatives.

During FY 2010, Arlington started a community planning process where hundreds of Arlington residents joined the open, participatory process that included community meetings and open house events.

"We're working together to identify alternatives that will make Arlington a healthier, safer community with a variety of transportation options," said Project Manager Alicia Winkelblech.

## Investments in Mobility

High above the interstate, the City of Arlington made \$165 million in capital investments in bridges and roadways along I-30.

In neighborhoods, more investments were made in street maintenance when Arlington voters were asked to decide the future of the street maintenance sales tax. During 2010, voters re-authorized

this funding mechanism, which allows municipal governments to collect sales tax for the purpose of street maintenance with voter approval.

This high-tech vehicle made its way through Arlington neighborhoods, surveying streets and capturing high-quality digital images of pavement surfaces. The technology aboard this vehicle is helping engineers determine the most cost-effective way to manage the maintenance of streets, sidewalks, curbs and gutters.



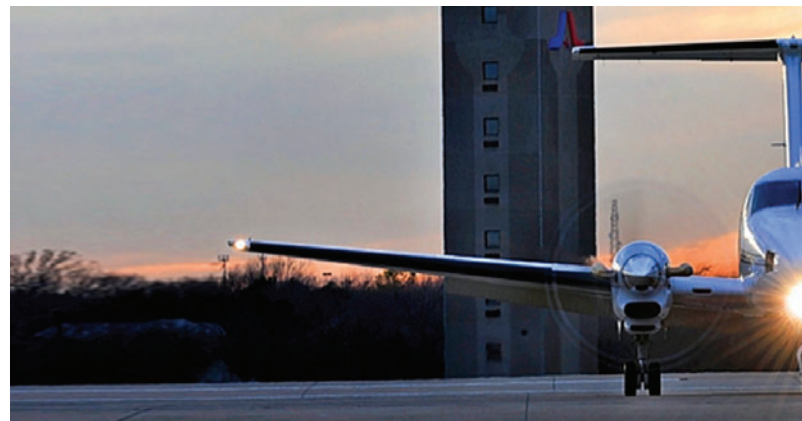
As part of our strategy to ensure that people and goods can move safely and efficiently through the city, construction started on a new \$5.1 million airport terminal building. This capital project is scheduled to be completed and fully operational in FY 2011.

Commuter bus service to and from downtown Fort Worth continued in FY 2010 thanks to a partnership with the Fort Worth Transportation System and a grant from the Arlington Tomorrow



***"This Mayor's Green Youth Awards program is another way to acknowledge the passion that our youth have for their environment."***

-Dr. Brigitte Gibson  
City of Arlington Environmental Services





# Capital Investments

Foundation. Arlington area commuters say the week-day service from the Park and Ride Lot at Park Springs and Interstate 20 continues to be cost-effective and convenient.

## Investments in Natural Resources

When it comes to environmental preservation, Arlington made big investments in water quality and energy efficiency in FY 2010.

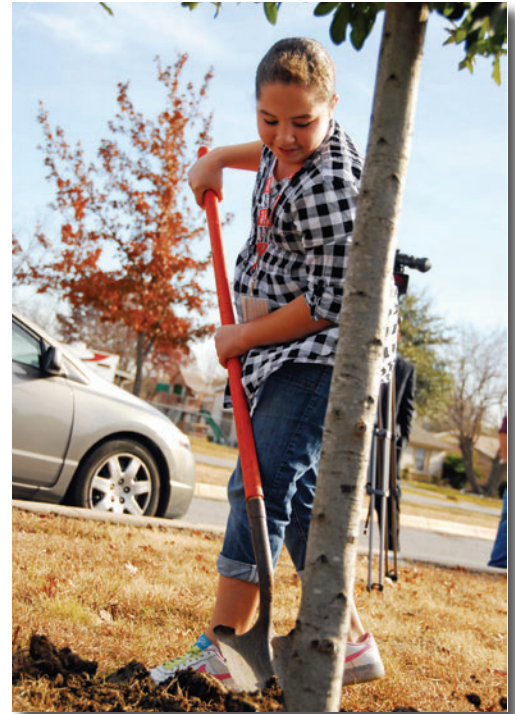
The Lake Arlington Master Plan is one example of the short and long-term investments being made in the environment. When completed, this planning tool will be used to protect water supply and enhance recreational and economic development opportunities around Lake Arlington.

Pipelines were installed in FY 2010 for a new type of water source called Reclaimed Water. By reusing treated wastewater for golf courses, parks, and other irrigation, cooling and manufacturing purposes, the City of Arlington is helping to conserve the drinking water supply for future generations.

Arlington residents and businesses joined communities, corporations, utility companies and manufacturers across the U.S. in making commitments to energy efficiency in their homes, schools and places of business. By using products with the Energy Star label, Arlington residents alone helped to reduce more than 240,000 pounds of greenhouse gas emissions, according to data released by

the Environmental Protection Agency that sponsors the Energy Star Change the World campaign.

Dozens of tree plantings like this one occurred throughout Arlington in FY 2010, thanks to environmental programs associated with the NBA All-Star Game and Super Bowl XLV. The NBA All-Star game alone contributed to more than 2,000 new trees in the city.



Arlington teens are helping the City of Arlington shape the future of skate parks. The process has included open house events and workshops to gather public input about the best types of skate parks to be built and where.



# Strategic Support

While the City of Arlington focused its work in key priority areas - Neighborhoods, Economic Development, and Capital Projects - there is another service team dedicated to working behind the scenes to improve how government works.

In FY 2010, the City of Arlington celebrated achievements in customer service, workplace wellness, information technology and finance reporting thanks to the dedication of the Strategic Support Team.

Many of these success stories did not go unnoticed; some of them garnered state and national awards. In FY 2010, the State Comptroller's Office commended the City of Arlington for "meeting the highest standards; setting the bar for financial transparency and opening your books to the public."

Quality customer service remains a priority. During the fiscal year, more residents got assistance when they called the city's Action Center.

Even during tough economic times, the City of Arlington remained fiscally strong, maintaining favorable bond ratings and low interest rates. In FY 2010, the City sold \$38 million in bonds to fund improvements in public safety, mobility, libraries and recreation.

Working with our neighbors to leverage resources, the City of Arlington met with regional partners to host



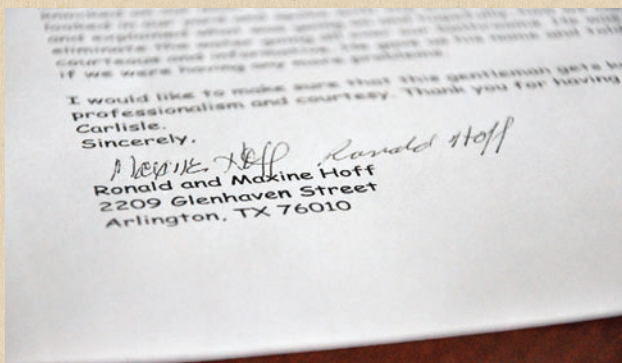
a Big City Mayor's meeting at Cowboys Stadium to discuss legislative priorities. Youth achievement and homeless prevention were identified as big city priorities in many of the state's largest cities.

## New Technology/Business Solutions

Behind the scenes, the City of Arlington identified more technology solutions in FY 2010 designed to improve business performance and enhance the customer service experience.

The deployment of new case management software for Municipal Court is one example of how data and people came together in FY 2010 to make business run better. The new software for Municipal Court is helping to improve operational efficiency and the management of court cases. Not only is the city collecting more revenue from fines and tickets, the wait time for customer service has been substantially reduced.

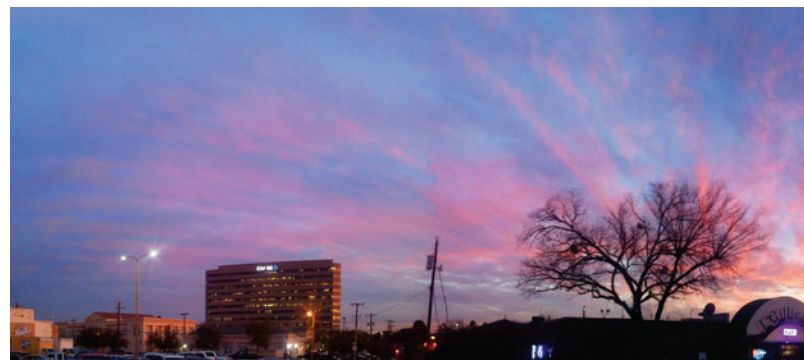
The reliability of the city's computer network was strengthened in FY 2010 by the installation of more than 30 miles of fiber optic cable



**"I called your department at 4:55 p.m. this afternoon ... Within 40 minutes a man by the name of Carlisle Rose knocked on the door. He was very courteous and informative. He gave us his name and told us to call if we were having any more problems. Thank you for having workers like Carlisle."**

- Ronald and Maxine Hoff, Arlington residents

**Exerpt from a letter written by a resident**

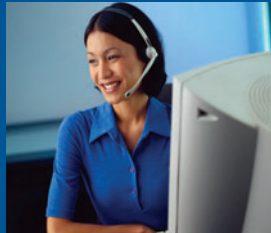




# Strategic Support

## 817-459-6777 Action Center

When residents call the City's information line for assistance, they get action! The Action Center answers phone calls from the public from 8 a.m. to 5 p.m. weekdays, assisting customers with questions regarding services and programs.



and upgrades to nearly half of the city's networking equipment.

New in FY 2010! The City of Arlington launched an e-Commerce technology, which makes enterprise online shopping available from the web site. In the new online store, residents can browse selections, make charitable donations and purchase specialty items and merchandise.

In FY 2010, the City of Arlington partnered with Coca-cola Enterprises to become the official soft drink of the City of Arlington as part of a revenue enhancement strategy. This contract allows for a total projected payment of \$773,000 over 10 years. In FY 2010, the City received \$150,000 in sponsorship funds from Coca Cola.

During National Customer Service Week, City Manager Jim Holgersson applauded City of Arlington employees who serve and support customers



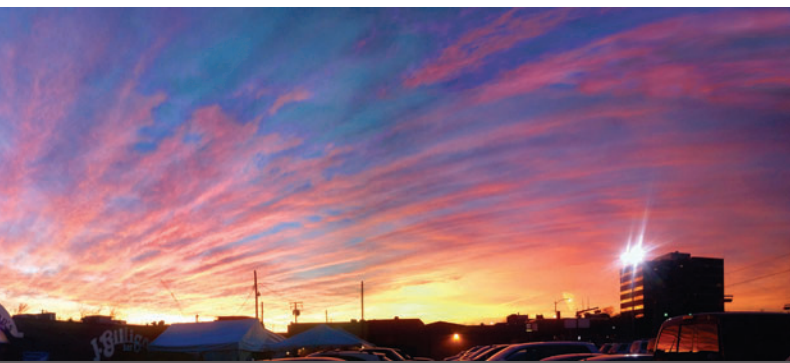
## By the Numbers FY 2010

1,151	Employees Enrolled in Wellness Programs
4,670,000	City of Arlington Web site Visits
10,000	IT work orders processed and closed
196,770	Action Center Calls Answered
78,686	Employee Payroll Paychecks Issued
230	Public E-mail Nixle Alerts Sent
24	E-Arlington City Newsletters Published
170	Original Public Meeting Broadcast hours
\$18,043,616	Municipal Court Revenue Collected
\$4.5 M	Arlington Tomorrow Foundation Grants Awarded
25	Excellence in Government Reporting Awards Earned

with the highest degree of care and professionalism. Employees completed customer service training programs in telephone skills, effective business writing and service excellence.

Coming in FY 2011: A new E-Commerce platform will soon allow businesses to pay a registration fee and join a new database and notification system that allows them to participate in the bidding and proposal processes for city

contracts. As part of a new revenue enhancement, the e-Commerce technology will also make it easy for local businesses to have a presence on a new City of Arlington smart phone app, which is set to debut in FY 2011. This application represents a new way of delivering information, offering users real-time news updates, interactive maps, and access to city attractions, dining and shopping opportunities. Customers will be able to interact with city staff, report issues, apply for permits, pay bills, search for employment and more!





# Outstanding Achievements in Service



The City of Arlington was the recipient of many regional, state and national awards. Some of the most significant accomplishments are highlighted here.

The City of Arlington selected Shirley Patterson as the **2010 Volunteer of the Year**. Patterson is president and founder of the Parkview Neighborhood Association and is a member of the Citizens Environmental Committee.

She organized community clean-up programs along the railroad tracks and creek in Meadowbrook and Bob Cook Parks and worked with the Arlington

Tomorrow Foundation to obtain grant funds to enhance safety in her neighborhood. "Shirley has inspired her neighborhood..." said Mayor Pro Tem Lana Wolff, who nominated Patterson for the award. "She makes a difference, and that's what it's all about."



The Tierra Verde Golf Club hosted the **2010 Texas Men's Public Links Championship** in June 2010. The 12-year-old golf club continues to take its rightful place among the best public courses in the state. The championship was sanctioned by the Texas Golf Association.



The City of Arlington was presented a **Gold Leadership Circle Award** by the **Texas Comptroller of Public Accounts** for meeting the highest standards in financial reporting and transparency. Texas Comptroller Susan Combs said the City has "set the bar for financial transparency."

The Arlington Bureau of Vital Statistics has been named the recipient of an **Exemplary Five-Star Service Award** for outstanding noteworthy milestones in timeliness, innovation, security, training and collaboration. The award was presented by the Texas Department of State Health Services.

Arlington earned a **City Livability Award** from the **United States Conference of Mayors** in FY 2010. The award recognizes the city's water-efficiency programs that emphasize the importance of saving water today so that a reliable supply will be available for future generations.

The City of Arlington is among nine national winners of the **2010 Audrey Nelson Community Development Achievement Award**. The award was established by the National Community Development Association to recognize exemplary uses of CDBG funds that address the needs of low and moderate income families across the country.

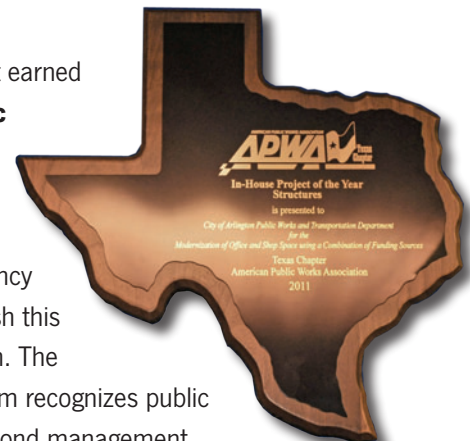
For a third consecutive year, Arlington has been named a **Playful City** by KaBOOM!, a national non-profit organization dedicated to enhancing play for America's children.



The Commission on Accreditation for Law Enforcement presented the **TRI-ARC Excellence Award** to the City of Arlington. The TRI-ARC award represents the three national accreditation programs that symbolize excellence and achievement in law enforcement communications, training and leadership.

The Public Works and Transportation Department earned a **2010 American Public Works Association Accreditation Award**.

Arlington is the third city in Texas, and the 60th agency in the country to accomplish this level of industry recognition. The APWA Accreditation program recognizes public works agencies that go beyond management practices established nationally in the areas of water, solid waste management, street maintenance and engineering.





# Outstanding Achievements in Service

The American Public Works Association selected **Administrative Manager Beth Wimpy** as the **2010 Professional Manager of the Year**. The award was presented at the APWA International Public Works Congress and Exposition in Boston, Mass.



Four City of Arlington Housing Authority programs have earned **Awards of Merit** from the **National Association of Housing Redevelopment Officials**. The annual competition recognizes the most innovative housing and community development initiatives in the U.S.

The City of Arlington was presented the **2009 Well Deserved Award** by UnitedHealthcare. The award is given to employers who demonstrate exceptional commitments to improving the health and well-being of employees. Arlington is one of only 11 employers across the nation to receive this award in FY 2010.

In FY 2010, City of Arlington employees raised \$46,251 for **United Way** and the social service agencies that partner with them to strengthen families and meet priority human service needs in Tarrant County. United Way continues a long standing tradition of helping to build a stronger America.

Arlington City Council member Kathryn Wilemon was appointed **Chairperson of the Texas Regional Transportation Coalition**, a broad-based nonprofit group committed to finding solutions to the mobility challenges facing the western half of the DFW Metroplex. She has been a TRTC member since 2003.

Arlington City Council member Sheri Capehart became the first Arlington official to be elected to the **Board of Directors of the National League of Cities** in FY 2010. Her two-year term began in November 2009. The NLC is the oldest and largest national organization of municipal governments, representing more than 19,000 cities, villages and towns across the country.

Arlington Mayor Robert Cluck was elected **president of the Texas Municipal League**. Cluck has been active in TML since his election to the Arlington City Council in 1999. He has represented Arlington on the TML Board of Directors since 2003. TML was established in 1913 to serve the needs and advocate the interests of Texas cities.

The **2010 Apex Award** was presented to the City of Arlington for innovative solutions in employee healthcare management. The award was presented by Hub Magazine and recognizes initiatives that improve the healthcare experience for consumers.

**Arlington Dispatch Services** was re-accredited by the **Commission on Accreditation for Law Enforcement Agencies**. Dispatch Services was also presented a Flagship designation given to communications agencies that demonstrate best practices in policy development. The agency has been accredited by CALEA since 2004 and is reviewed every three years for re-accreditation.



The Arlington Parks and Recreation Department has earned high honors for its municipal forestry programs. In June 2010, the department earned accreditation from the **Society of Municipal Arborists**.

The Arlington Tennis Center hosted the **U.S. Open Sectional Qualifying Tournament** in June 2010. The event attracted tennis professionals from around the country for qualifying tournaments to advance to the U.S. Open in New York.



The Purchasing Division earned its seventh consecutive **Achievement of Excellence in Procurement Award** by the National Purchasing Institute. The award demonstrates the city's commitment to maintaining integrity and transparency in the procurement process. Arlington scored highest in innovation, professionalism, e-procurement and leadership.



# Financial Highlights 2010

## *Financial Trend Summary*

The financial data below is intended to provide a big picture overview of key financial metrics over the past three years. The information below is from selected funds and does not purport to represent all of the City's component units. For ease of reading, this data is summarized in ways that are not in accordance with Generally Accepted Accounting Principles (GAAP) and the notes to the financial statements are not provided. The City of Arlington is audited annually and prepares a full GAAP-based Comprehensive Annual Financial Report (CAFR). The latest report is available to readers on the City of Arlington web site at [www.arlingtontx.gov/finance/cafr\\_financial\\_reports.html](http://www.arlingtontx.gov/finance/cafr_financial_reports.html). For more information about the CAFR or other financial reporting questions, contact the Financial and Management Resources Department at 817-459-6300.

	2008	2009	2010
<b>Government-wide</b> (in thousands)			
Assets	\$ 2,212,407	\$2,623,614	\$2,760,496
Liabilities	834,605	826,194	873,331
Total Net Assets	1,377,802	1,797,420	1,887,165
<b>Revenues</b>			
Governmental Funds	319,271	318,192	336,507
excluding contribution from Cowboys			
Enterprise Funds	107,093	116,908	117,397
Total Revenues	426,364	435,100	453,904
<b>Expenditures/Expenses</b>			
Governmental Activities	325,407	324,265	302,079
excluding capital outlay			
Enterprise Funds	69,821	79,358	77,876
Capital Outlay - Cowboys Stadium	280,295	417,157	40,754
Capital Outlay - Other	57,366	58,992	38,611
<b>Infrastructure Assets</b> - net of accumulated depreciation			
Governmental Activities	264,032	209,200	205,264
Enterprise Funds	418,417	489,197	524,638
Total Infrastructure Assets	682,449	698,397	729,902
<b>Fund Balance</b>			
General Fund			
Reserved	7,176	5,115	5,979
Unreserved	49,013	53,166	60,588
Debt Service Fund - reserved	50,274	48,685	58,696
Cowboy Stadium Fund - reserved	7,770	152	-
<b>Long-term Debt Outstanding</b>			
Governmental Activities	311,089	285,774	327,943
Enterprise Funds	92,724	100,407	110,120
Cowboys Stadium	304,100	302,229	297,056
TOTAL	707,913	688,410	735,119
<b>Pension Obligation - TMRS</b>			
Funded	348,785	360,029	373,896
Unfunded	220,619	234,413	247,280
Percent funded	61%	60.6%	60.20%
<b>Retiree Benefit Obligation</b>			
Funded	-	-	-
Unfunded	101,800	104,500	100,900



# Financial Highlights 2010

## Accounting Terminology

Enterprise Funds .....	Water, Sewer and Storm Water Utility funded by fees charged to users
Capital Outlay.....	Funds spent to purchase or construct buildings, machinery, vehicles, etc.
Fund Balance .....	The difference between assets and liabilities of a fund
Government-wide .....	The City as a whole
Governmental Activities ....	The City's basic services such as Police, Fire, Public Works and Parks which are mostly funded by property tax, sales tax and franchise fees
Infrastructure Assets .....	Stationary assets of the City that include streets, sidewalks, water, sewer and drainage systems
Net Assets.....	The difference between assets and liabilities for the City as a whole
TMRS.....	Texas Municipal Retirement System

## FY 2010 Important Facts

Founded:	1884
Incorporated:	1887
2010 Population:	365,438
County:	Tarrant
Form of City Government:	Council-Manager
City Employees:	2,792
Assessed Property Values:	\$18.3 Billion
2009 Municipal Budget:	\$370,138,983
City Tax Rate:	\$0.6480 per \$100 valuation
Parkland:	4,689.2 acres
2009 Building Permits:	3,373
Average Home Tax Value:	\$135,484

## Trend Variances

- The City's increase in total net assets of \$89.7M this year was \$330.3M lower than the \$420M increase last year. This variance is attributable to the one-time \$261M in contributions received from the Cowboys Stadium, L.P. for construction of the Cowboys Project.
- The increase in total revenues of \$18.8M is partly attributable to increases in tax revenue, fines, forfeitures, licenses and permits. Lease revenue also increased this year due to collection of a full year's Cowboy Stadium rent.
- The Cowboy Stadium was substantially completed last year. An additional \$41M in capital outlay was incurred this year vs. \$417M last year.
- Total infrastructure assets increased \$31.5M this year primarily due to additions to the City's water and sewer system.
- General Fund unreserved fund balance increased \$7.4M this year vs. last year due to a modest increase in revenues combined with City management's efforts to reduce spending.
- Debt Service fund balance increased \$10M this year due to prior refunding and the termination of variable rate debt and swaps for the Cowboy Stadium.
- Total long term debt increased \$46.7M during the year. Debt issues in 2010 include \$63.9M in Permanent Improvement and Refunding bonds, \$8.9M in Combination Tax and Revenue Certificates of Obligation and \$21.5M in Water and Wastewater System Revenue and Refunding bonds. Bond principal payments totaled \$64.6M on existing obligations.

## Major Employers 2010

- Arlington ISD
- UT-Arlington
- Six Flags Over Texas
- General Motors
- Texas Health Resources-AMH

## Major Taxpayers

3.9 % of the City's assessed value:

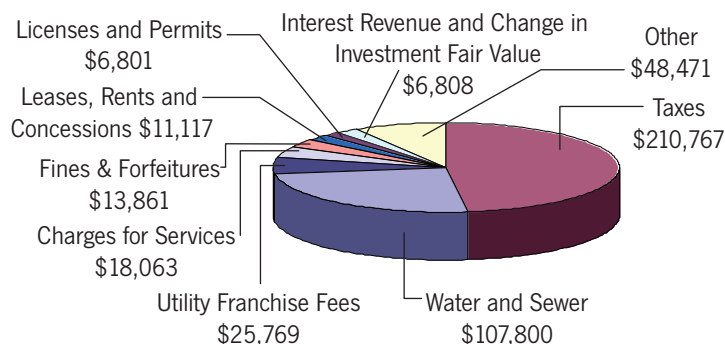
- General Motors
- The Parks Mall at Arlington
- Oncor Electric Delivery
- Arlington Highlands
- Southwestern Bell



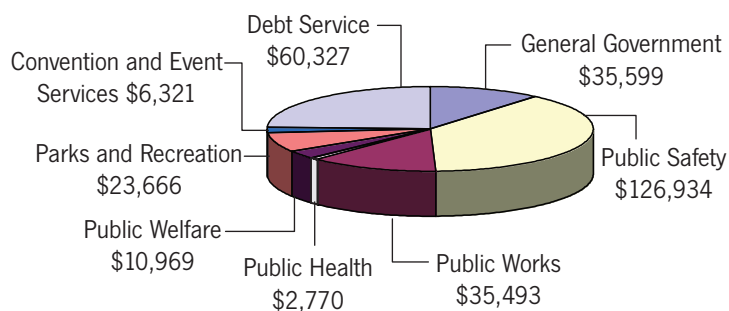
# Financial Highlights 2010

Arlington has effectively managed its financial condition over the years, with a built-in conservative bias. City leaders are prepared to continue to manage City finances during the recession and will continue to take steps necessary to preserve Arlington's Aa2/AA+/AA general obligation bond rating and the City's ability to serve the public.

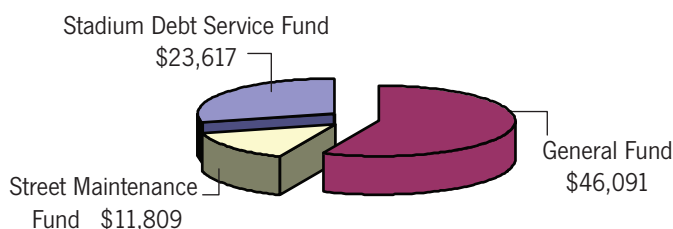
## Total Revenues 2010 (in thousands) \$449,457



## Governmental Activity Expenditures 2010 (in thousands) \$302,079



## Sales Tax 2010 (in thousands) \$81,517

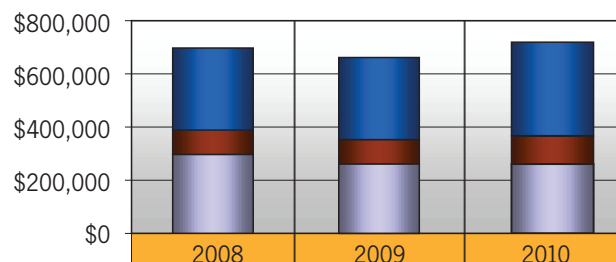


	2008	2009	2010
<b>Property Tax Base (in thousands)</b>			
Personal	\$2,287,200	\$2,386,993	\$2,604,015
Real Estate	15,304,029	\$15,859,827	\$15,647,090
Total	17,591,229	\$18,246,820	\$18,251,105

<b>Property Tax Rate</b>			
Operations	0.4467	0.4467	0.4330
Debt service	0.2013	0.2013	0.2150
Total	0.6480	0.6480	0.6480

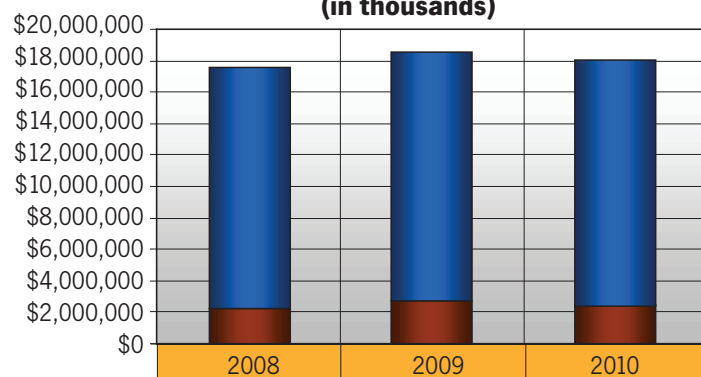
<b>Sales Tax</b>			
Amount	81,385	80,193	81,517
Annual growth	2.0%	-1.5%	0.017

## Long-Term Debt (in thousands)



	2008	2009	2010
Governmental activities	\$311,089	\$285,774	\$327,943
Enterprise funds	\$92,724	\$100,407	\$110,120
Cowboy Stadium	\$304,100	\$302,229	\$297,056

## 2010 Property Tax Base \$18,251,105 (in thousands)



	2008	2009	2010
Real Estate	\$15,304,029	\$15,859,827	\$15,647,090
Personal	\$2,287,200	\$2,386,993	\$2,604,015



# Looking Forward

## Looking Forward - More Challenges Ahead in 2011

Success is no small achievement. Nowhere is our success more evident than in our strategic initiatives that support neighborhoods, development and investments in capital projects that improve how we live, work, travel and play.

Looking forward, our city staff will continue to be among the most dedicated public servants, earning awards and special recognitions for innovation and leadership.

As a governmental body, we will continue to set the bar higher as we remain focused on achieving the success that we demand of ourselves.

The challenges ahead serve to position our city for more opportunities to partner and collaborate.

During the tough economic times ahead, we will work strategically within the constraints of limited resources and leverage federal, state and local resources to serve and protect the safety of our residents and visitors.

Should the economy continue to remain stagnant, we have developed strategies to ensure the continuation of service delivery.

The Business Continuity Reserve program allows us to identify opportunities for possible future reductions. This reserve is funded with one-time funds and pays for these programs for one year while departments look for alternative service delivery methods and new revenue sources.

With the economic challenges ahead, we will focus resources on our most vulnerable citizens - the elderly, disabled and homeless populations within our city.

Looking ahead, we'll continue to make safety a priority as we keep our focus on neighborhood stabilization, mobility and programs that promote self-sufficiency. We will deploy new technology to improve how we deliver information and how we serve our customers.

We believe that the future prosperity of our city is dependent on our ability to work together.

Our future looks bright. With big events like the Texas Rangers pennant race and Super Bowl XLV coming to the region in the new fiscal year, we have found a way to generate more revenue during a time when the tourism industry is typically dormant and out of season.



With the success occurring in our Entertainment District, we have been granted the opportunity of a lifetime to showcase our communities. This is only the first step in an extraordinary journey that provides the city with a lasting foundation on which to plan and attract future events.

Looking forward, our city will continue its dedication to serving the people of Arlington with the highest degree of integrity and professionalism. We remain in a position for continued success and we are prepared to meet the extraordinary challenges that lie ahead.



# *Meeting the Challenge*

City of Arlington, Texas  
Popular Annual Financial Report  
2010

Printed by:



AC PRINTING  
[www.acprinting.com](http://www.acprinting.com)